3: Hiscocks G-4, 5 (1946-1949) 1953 EK1 Austria EK1

727 Other injuries from which Austria suffered were the result
433 of deliberate German policy. So long as the Nazi occupation lasted, Austria was treated as an appendage to the German economy, and her interests were subordinated to those of the Reich. She was no longer considered as an economic entity, and no attempt was made to maintain the balance of her economic life.

[133] About 57 per cent of Austria's total area is over 1,000 metres
[311] (3,281 feet) high, and 37 per cent is woodland. It is therefore hardly surprising that only 21 per cent is cultivated and that before the War, in spite of strenuous efforts, the country could produce only three-quarters of its total food requirements. At the same time it was essential that it should be as self-supporting as possible. To import even a quarter of its provisions imposed a severe strain on the balance of trade. Yet during the Nazi period efforts to increase Austrian agricultural production were relaxed. The self-sufficiency of a mere group of provinces was a matter of no significance to Hitler, and he preferred to depend for his food supplies on the conquered and dependent lands of Central and Eastern Europe. The *Ostmark* could be better used for other purposes.

Austrian farms therefore lost man-power to the army. Their livestock was reduced. Equipment grew old and could not be replaced. Owing to lack of fertilizer the quality of the soil deteriorated. In 1945 domestic food production reached less than half, and in 1946, when conditions were much less disturbed, only about two-thirds of the pre-War level.

•[313] Austria's forests are one of her most valuable natural resources. Her timber industry, together with the paper and cellulose industries dependent on it, accounts for about 9 per cent of her national income and for a substantial proportion of her exports. During the War the forests were ruthlessly exploited, and it has been estimated that at least 10 million cubic metres of timber were felled in excess of the economic figure, the fellings mainly taking place in the most accessible areas. This meant that years of strict control would be necessary to restore the timber industry to a healthy condition. At a time when the country was struggling to rebuild its economy, one of its main sources of wealth was in a state of convalescence.

3: Hiscocks G-4, 5 (1946-1949) 1953 EK1 Austria EK1

Germany used thirteen times as much per acre as Austria; Holland sixteen times as much. There was great scope, therefore, for increased use. Austria now had her own production plant, and the price of imported fertilizer had scarcely risen half as much as food prices. The programme suggested that by 1953 over four times as much should be used as in 1937, and even then the economic optimum point would nowhere near have been reached.

The significance of Austria's forests is shown by the fact that between the Wars they provided a livelihood, directly or indirectly, for about one-sixth of the population. Lumber exports amounted in value to over 10 per cent of the country's total and, together with the exports of the dependent paper and cellulose industries, just about paid for Austria's most important food imports. After the War the forests were suffering from the excessive felling that had been carried out systematically during the past few years and from the fact that it had taken place in the more accessible areas. This double injury could only be put right by a policy of restraint extending over a number of years: by reducing cutting, and by concentrating on the less accessible, and therefore the less economic areas. In consequence the fundamental cure was, to a great extent, beyond the scope of the recovery programme. But the timber, paper, and cellulose industries had one feature in common: their equipment was very largely out-of-date and inefficient. Judged by modern standards, the methods employed in forestry and the timber industry were still primitive. The sawmills were mostly on a very small scale and could not be compared in efficiency with large up-to-date enterprises in other countries. The consumption of coal in Austrian cellulose factories was about one ton for every ton of cellulose produced, whereas a good Swedish factory used less than a third of the amount. Much of the equipment in the paper-mills was so obsolete that the competitive power of the Austrian paper industry in world markets was being undermined. Here ERP resources could be of great assistance, and funds were allocated for the introduction of modern equipment and modern methods into all three industries.

461 Oesterreichisches Institut für angewandte Arbeits-
446 wissenschaft (Austrian Institute of Applied Science
816 of Work), Vienna, under Dipl. Ing. Otto Korwik. Employing principles of work-psychology, this institute has undertaken research work within large plants on production increases, improvement of quality, of production, working conditions, etc. The magazine Mensch und Arbeit, published by the Arbeitsgemeinschaft für Psychotechnik in Oesterreich (Committee for Psycho-Technics in Austria), Vienna, covers this field. On the board of trustees of this committee are former minister Dr. H. C. Eduard Heinl, member of parliament and president of the Gewerkschaftsbund Johann Böhm, as well as many other prominent individuals.

654 Thanks to a release of ERP-counterpart
313 funds, it will be possible to establish an Austrian Institute for Timber Research. The lumber industry is one of the most important in Austria. This Institute shall furnish the work industry with new theoretical and practical ideas, which in turn should benefit production. The Institute will cooperate closely with the testing laboratories of the technical colleges of Vienna and Graz.

217 Scientific as well as economic endeavors
815 are being supported by large libraries. The Wiener Handelskammer (Chamber of Commerce), for instance, accumulated during the one hundred years of its existence more than 150,000 volumes, becoming thereby not only the largest library of economic science in Austria but probably also in central Europe if one takes into account the losses incurred during the last war. The latest foreign publications are in its collections and it is continuously frequented by economists as well as students of national economics. The library of the Oesterreichische Institut für Wirtschaftsforschung contains 10,000 volumes, mostly about market prospecting and foreign trade, while the library of the Institut für Wirtschaftswissenschaften an der Wiener Universität with its 30,000 volumes comprises works of theoretical economics besides international publications.

204 Austria also has a number of well-edited
815 periodicals for political economy. The oldest one in the economic field in Austria, adhering to a scientific background and serving an extended reader clientele, is Der Oesterreichische Volkswirt (The

Up to the end of 1949 approximately 9,000 agricultural machines, with a total value of 31.5 million schillings, could be bought out of counterpart funds. Through the formation of agricultural machine cooperatives (about 33) even medium and small-sized farms were able to share in the advantages of technical modernization. The progress of electrification in rural areas supplied light and current to 4,800 farms. Storehouses and freezer lockers have been built in fruit producing areas. In addition, dairies and cheese making plants have been erected from ERP funds.

Further investments in the agricultural sphere are being carried out in accord with the investment program of 1950-52. For these purposes 270 million schillings were released from counterpart funds in 1950 (i.e., 43.6 per cent of the 620 million schillings provided in the agricultural priority program, or 34.6 per cent of the total of 780 million schillings provided in the whole program).

In forestry (exports), which is of paramount importance to Austria, the approximate prewar level of wood and timber output and supply has been achieved through various rationalizations and especially better means of transport and better roads. In 1948 the timber output was 8.24 million cubic meters (Festmeter); in 1949 already it was 9.24 million cubic meters; in 1950 the output could be increased to slightly over 10 million cubic meters.

The increasing production of timber and the stoppage of exports of undressed timber made it possible to supply sawmills and timber finishing plants with bigger quantities of wood in 1949 and 1950 than prior to the war. In 1949, 2.50 million cubic meters of whole timber were planed. In 1950 the amount was 4.41 million cubic meters as compared to 3.14 million cubic meters in 1937. The paper, cellulose, wood fiber and pulp industries could be provided to an increasing extent with all necessary raw materials (especially wood pulp); thus, covering not only the domestic needs but also enabling Austria to gain a foothold in former export markets.

The forestry and sawmill industry received 90 million schillings in 1950 out of counterpart funds and, in addition, 22.5 million schillings in December 1950 to be carried forward for use in 1951.

9: Rothschild E-4, 5 (no date) 1947 EK1 Austria EK1

ever, one of the most important natural resources of Austria: her forests. In a Europe greatly deficient in timber this is a great asset, and wood has, in fact, been one of the main items on Austria's export list. With an export of 1,236,000 cubic metres of sawn softwood—more than half of the trees are spruce—Austria provided 5·3 per cent of world exports in 1935 and took the sixth place among exporting countries.

What of Austria's resources in minerals and energy? Here the picture does not differ greatly from that presented by other industrial countries, not counting the almost self-sufficient continents of the Soviet Union and the United States: considerable deposits of certain important materials are accompanied by a more or less complete absence of others.

Take the two basic materials of heavy industry: iron ore and coal. Austria is a country with considerable resources of iron ore, 90 per cent of which comes from the famous Erzberg in Styria, where the ore has an iron content of 40 per cent. Production in 1937 was 1,885,000 tons* which—in metal content—represented 0·7 per cent of the world output; about one-sixth of this was exported. Coal, on the other hand, is only to be found in quite insufficient quantities. In 1937, production amounted to only 230,000 tons while 2,657,000 tons had to be imported. On the other hand, lignite is plentiful: an output of 3,244,000 tons required to be supplemented by only 185,000 tons of imports. Some of the lignite deposits are in close proximity to the iron ore deposits in Styria which has greatly contributed to the growth of the iron and steel industries in that district.

There are also considerable deposits of magnesite, lead, copper, graphite, and salt. In 1935, Austria produced 24

* Unless otherwise stated, "tons" always mean metric tons.

9: Rothschild E-4, 5 (no date) 1947 EK1 Austria EK1

[p. 113]